

Assembly Bill No. 1544

CHAPTER 543

An act to add Section 1253.6 to the Health and Safety Code, relating to health facilities.

[Approved by Governor October 11, 2009. Filed with
Secretary of State October 11, 2009.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1544, Jones. Health facilities: licensure: outpatient clinic service.

Existing law provides for the licensure of health facilities, including general acute care hospitals, acute psychiatric hospitals, and special hospitals, as defined, by the State Department of Public Health. Violation of these provisions is a misdemeanor.

Existing law requires that, upon the issuance or renewal of a general acute care, acute psychiatric, or special hospital license, the department separately identify on the license each supplemental service, including the address of where each outpatient service is provided and the type of services provided at each outpatient location.

Existing law authorizes licensed general acute care hospitals and acute psychiatric hospitals to provide in any alternative setting health care services and programs that may be provided by any other provider of health care outside of a hospital building or which are not otherwise specifically prohibited by provisions of existing law regulating these facilities. It also requires the state department and the Office of Statewide Health Planning and Development to adopt and enforce standards which permit these health facilities to use its space for alternative purposes.

This bill would, among other things, require the department to approve a completed application by a licensed general acute care hospital that meets specified requirements to add or modify an outpatient clinic service as a supplemental service, add the outpatient service to the hospital license, and issue a new license, within 100 days of receipt of the completed application, unless the applicant does not meet specified requirements. The bill would limit the outpatient clinic service that is the subject of the application to providing only nonemergency primary health care services in a clinical environment to patients who remain in the outpatient clinic for less than 24 hours. The bill would define "outpatient clinic services" for purposes of the bill. By creating a new crime, this bill would impose a state mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) Hospitals in California are essential partners with the state in providing a health care safety net for underserved, uninsured, and underinsured populations in a cost-effective manner.

(b) The need for primary care is growing dramatically due to changes in the delivery of health care, demands of the market, and the continuing increase of uninsured and underinsured patients in California, an escalating unemployment rate, physician shortages, and a severely depressed economy.

(c) The current system of approving new hospital-based outpatient services that provide primary care causes delays in timely access to care and results in a significant and unnecessary waste of taxpayer and community resources that could otherwise be devoted to patient care.

(d) Administrative streamlining of the approval process, without compromising patient health and safety, will avoid an unnecessary burden to the state's scarce resources and improve access to vital community health care services in California.

SEC. 2. Section 1253.6 is added to the Health and Safety Code, to read:

1253.6. (a) This section shall govern applications by general acute care hospitals for supplemental services approval for outpatient clinic services.

(b) Upon receipt of an initial application by a licensed general acute care hospital to add a new or modify an existing outpatient service as a supplemental service, the department shall, within 30 days of receipt of the initial application, review the entire application, determine whether the application is missing information or has insufficient information, and, on the basis of this determination, provide the hospital with guidance on how to provide the missing information.

(c) Upon determination by the department that an application for an outpatient clinic service as a supplemental service is complete pursuant to subdivision (b), the department shall investigate the facts set forth in the application and, if the department finds that the statements contained in the application are true, that the establishment of the operation of the supplemental service are in conformity with the intent and purpose of this chapter, and that the applicant is in compliance with this chapter and the rules and regulations of the department, the department shall approve the additional or modified outpatient clinic service, add it to the hospital license, and issue a new license. However, if the department determines in the course of the investigation that additional information is needed to determine whether the statements contained in the application are true or that the establishment or the continued operation of the supplemental service are in conformity with the intent and purpose of this chapter, or that the applicant is in compliance with this chapter and the rules and regulations of the

department, the applicant shall provide the additional information to the department upon request. If the department finds that the statements contained in the application are not true, or that the establishment of the outpatient service as a supplemental service is not in conformity with the intent and purpose of this chapter, or if the applicant fails to provide any additional information to the department within 30 days of the request, the department shall deny the outpatient clinic services application. The department shall either grant or deny the application for the outpatient clinic service as a supplemental service within 100 days of the filing of a completed application.

(d) If a licensed general acute care hospital has previously been approved for an outpatient clinic service within 30 days after receipt of a completed application for an additional outpatient clinic service, the department shall approve the additional or modified outpatient clinic service, add it to the hospital license, and issue a new license, unless the applicant does not meet the requirements of this section. Notwithstanding any other law, the department shall not be required to conduct an onsite inspection prior to approval of an outpatient clinic service pursuant to this section. However, nothing shall preclude the department from conducting an onsite inspection at any time, or denying an application, in accordance with subdivision (c). If the department determines that the applicant does not meet the requirements of this section, the department shall provide the hospital, in writing, the particular basis for this determination.

(e) A completed application for purposes of this section shall include all of the following:

(1) The appropriate forms, fees, and documentation, as determined by the department.

(2) A description of the type of outpatient clinic service to be operated, the character and scope of the service to be provided, and a complete description of the building, its location and proximity to the main hospital building, facilities, equipment, apparatus, and appliances to be furnished and used in the operation of the outpatient clinic service and evidence satisfactory to the department that the hospital owns and will operate the outpatient clinic service that is the subject of the application.

(3) Written policies and procedures governing the operation of the outpatient clinic service and its reporting relationship to the applicant.

(4) Evidence of the hospital's compliance with applicable building standards and possession of a fire clearance for the outpatient clinic service space.

(f) The outpatient clinic service that is the subject of the application shall be limited to providing nonemergency primary health care services in a clinical environment to patients who remain in the outpatient clinic for less than 24 hours.

(g) For purposes of this section "outpatient clinic services" shall have the same meaning as the services that may be provided by a primary care clinic in accordance with subdivision (a) of Section 1204. Nothing in this section shall be interpreted to mean that supplemental outpatient services

established by a general acute care hospital pursuant to this section shall be considered primary care clinics for licensing, regulatory, or enforcement purposes.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.